

KINGS COUNTY ECONOMIC FORECAST

The Kings County economy is creating jobs at a rapid rate. In 2017, the county gained 1,100 new jobs, representing a growth rate of 2.3 percent. The best performing sectors were agriculture, transportation and warehousing, and healthcare. Together, these industries accounted for more than 90 percent of net job creation during the year.

The unemployment rate improved substantially last year, falling from 10.0 percent in 2016 to 8.9 percent in 2017. But it is still much higher than most parts of California. This is largely due to the county's prominent share of seasonal workers (primarily in agriculture), who are often unemployed for several months each year. Because of this dynamic, the Kings County unemployment rate is already near its lowest sustainable level, and is not expected to improve substantially during the forecast period.

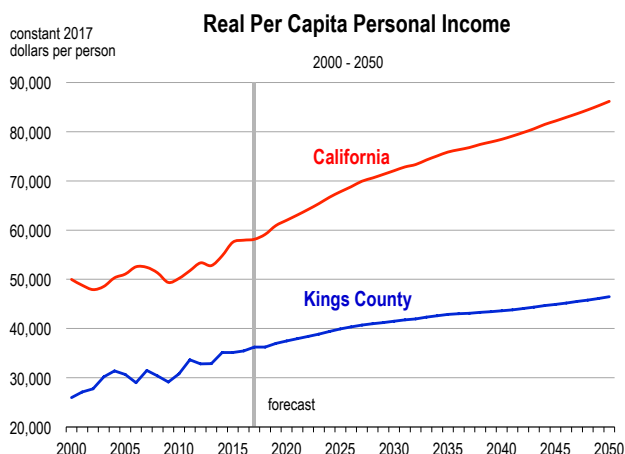
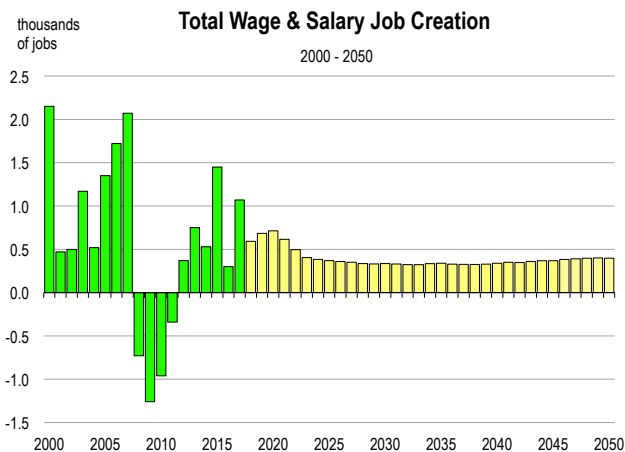
Kings County agricultural production has fallen by \$600 million (adjusted for inflation) since 2014. But local farms continue harvest more acres of crops, and hire new workers. These diverging trends have occurred because commodity prices have fallen, resulting in less income for higher levels of output. This is especially true for milk prices, which declined by 25 percent.

Homes in Kings County are highly affordable. The typical household spends less than 20 percent of its income on mortgage payments and rent, although there are a substantial number of households near the poverty line that pay much more. Across the coastal areas of California, housing costs often range from 35 to 50 percent of income.

Affordable housing and increasing job prospects are being observed in most of the Central Valley, making it the fastest growing region of the state and leading to population growth of 1.3 percent. But this dynamic has yet to draw new residents to Kings County in large numbers. Between 2012 and 2017, an average of 1,400 net migrants left the county each year, and the population grew by less than 0.1 percent per year. Eventually this will change, leading to faster rates of population growth during the 2018-2023 forecast period.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 1.3 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.2 percent.
- The strongest employment gains will be observed in leisure services, education and healthcare, and government. Combined, these industries will account for 81 percent of net job creation between 2018 and 2023.
- Average salaries are currently below the California State average, and will remain so over the foreseeable future. In Kings County, inflation-adjusted salaries are expected to rise by an average of 1.0 percent per year between 2018 and 2023, which will be slower than statewide growth.

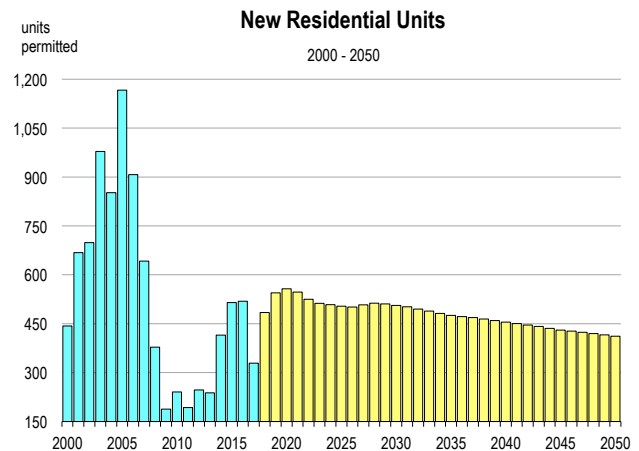
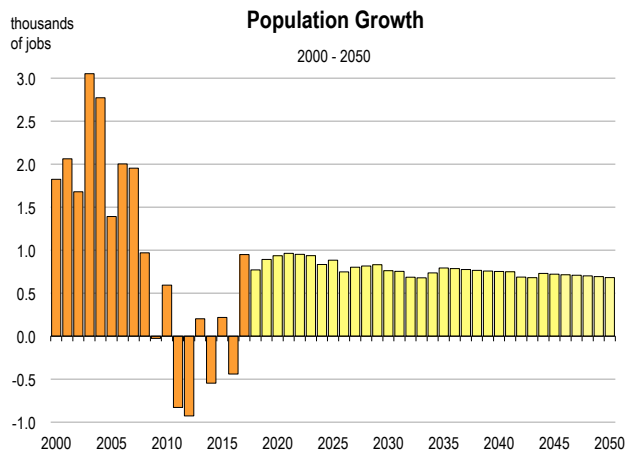


- Housing production will accelerate over the forecast period, with an average of 510 units built each year through 2023.
- Because Kings County has large amounts of buildable land, the development process will spread out into single-family communities, rather than be forced up into multifamily skyscrapers.
- The population will begin to expand more quickly. Annual growth in the 2018-2023 period is expected to average 0.9 percent.
- Net migration will not contribute much to population growth. Between 2018 and 2023, the number of people moving into Kings County will be approximately equal to the number moving out.
- Kings County has a young population base with a high birthrate, and the natural increase (new births) will add 1,400 residents to the county each year, accounting for virtually all population growth.

Kings County Economic Forecast

2010-2017 History, 2018-2050 Forecast

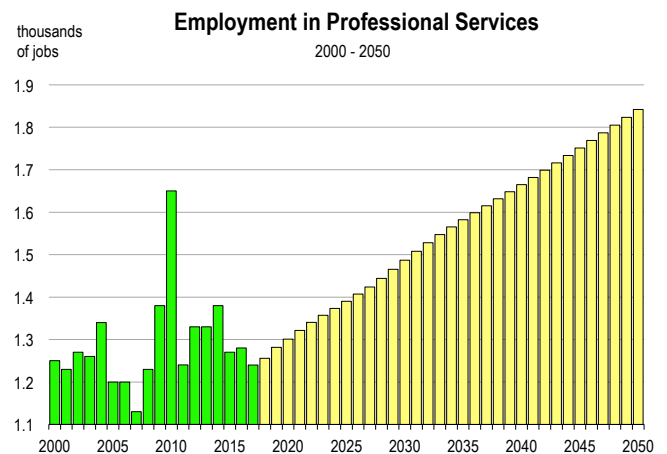
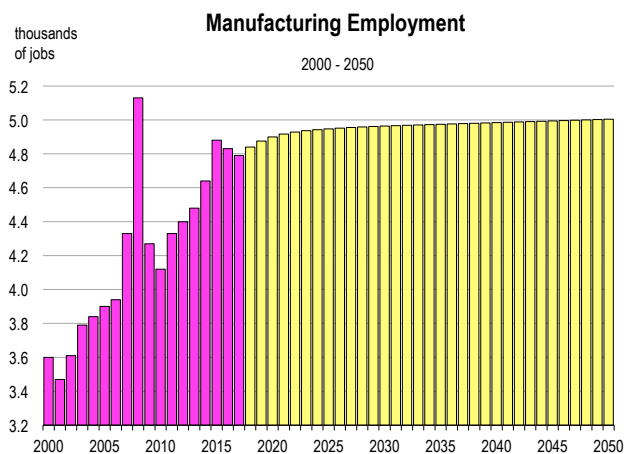
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	152,696	-875	104.2	41.2	241	\$1.19	\$4.06	\$30,796	1.3	1.99	1.13	16.1
2011	151,430	-3,090	103.4	41.4	193	\$1.32	\$4.51	\$33,637	2.7	2.50	1.08	15.9
2012	150,028	-2,983	103.3	41.4	247	\$1.39	\$4.46	\$32,815	2.7	2.45	1.17	14.9
2013	150,330	-1,361	106.2	41.6	238	\$1.46	\$4.54	\$32,879	2.3	2.47	1.24	13.4
2014	149,507	-2,302	107.7	41.8	415	\$1.40	\$4.92	\$35,152	2.8	2.64	1.35	11.9
2015	149,832	-1,230	110.5	42.0	515	\$1.70	\$5.00	\$35,132	2.6	2.13	1.43	10.5
2016	149,172	-2,122	113.1	42.2	519	\$1.72	\$5.14	\$35,447	3.0	2.06	1.42	10.0
2017	150,587	17	113.8	42.4	329	\$1.73	\$5.45	\$36,224	3.1	2.14	1.45	8.9
2018	151,747	-235	115.5	42.9	484	\$1.83	\$5.66	\$36,232	3.0	2.13	1.56	8.7
2019	153,101	-36	117.3	43.4	545	\$1.90	\$5.96	\$36,976	2.6	2.15	1.57	8.4
2020	154,533	45	119.1	43.9	557	\$1.98	\$6.31	\$37,501	3.1	2.16	1.59	8.4
2021	156,021	102	120.8	44.4	547	\$2.05	\$6.63	\$37,930	3.0	2.18	1.63	8.5
2022	157,505	96	122.5	45.0	525	\$2.13	\$6.95	\$38,391	3.0	2.20	1.66	8.6
2023	158,979	84	124.2	45.5	512	\$2.20	\$7.29	\$38,856	3.0	2.22	1.70	8.7
2024	160,304	-69	126.0	46.0	508	\$2.28	\$7.65	\$39,426	2.9	2.24	1.74	8.8
2025	161,720	19	127.7	46.4	504	\$2.36	\$7.99	\$39,918	2.9	2.26	1.77	8.9
2026	162,929	-190	129.5	46.9	501	\$2.43	\$8.32	\$40,335	2.8	2.28	1.80	8.9
2027	164,235	-93	131.2	47.4	508	\$2.51	\$8.65	\$40,712	2.9	2.30	1.84	8.9
2028	165,575	-61	132.8	47.9	513	\$2.60	\$9.00	\$40,972	2.7	2.32	1.87	8.9
2029	166,950	-25	134.3	48.4	511	\$2.68	\$9.34	\$41,221	2.5	2.34	1.91	8.8
2030	168,221	-130	135.9	48.9	506	\$2.76	\$9.68	\$41,488	2.4	2.36	1.94	8.8
2031	169,489	-135	137.4	49.4	502	\$2.86	\$10.02	\$41,757	2.3	2.38	1.98	8.8
2032	170,650	-244	139.0	49.9	495	\$2.95	\$10.37	\$41,952	2.5	2.40	2.02	8.8
2033	171,808	-254	140.7	50.3	489	\$3.05	\$10.73	\$42,314	2.1	2.42	2.06	8.8
2034	173,072	-154	142.4	50.8	482	\$3.15	\$11.11	\$42,613	2.3	2.45	2.09	8.8
2035	174,444	-52	144.1	51.3	476	\$3.25	\$11.52	\$42,874	2.4	2.47	2.13	8.8
2036	175,814	-61	145.8	51.7	472	\$3.36	\$11.95	\$43,010	2.8	2.49	2.17	8.7
2037	177,176	-74	147.3	52.2	469	\$3.47	\$12.40	\$43,128	2.9	2.52	2.22	8.7
2038	178,532	-86	148.9	52.6	464	\$3.57	\$12.86	\$43,314	2.7	2.54	2.26	8.7
2039	179,884	-94	150.4	53.1	460	\$3.69	\$13.35	\$43,447	2.9	2.57	2.30	8.7
2040	181,237	-96	151.8	53.5	455	\$3.80	\$13.85	\$43,600	2.8	2.60	2.34	8.7
2041	182,594	-94	153.2	54.0	450	\$3.91	\$14.35	\$43,807	2.6	2.62	2.39	8.6
2042	183,848	-198	154.7	54.4	446	\$4.02	\$14.87	\$44,061	2.5	2.65	2.43	8.6
2043	185,098	-202	156.1	54.8	442	\$4.14	\$15.40	\$44,344	2.4	2.68	2.48	8.6
2044	186,449	-101	157.5	55.3	436	\$4.24	\$15.93	\$44,660	2.2	2.71	2.53	8.6
2045	187,793	-105	159.0	55.7	430	\$4.36	\$16.50	\$44,913	2.4	2.73	2.58	8.6
2046	189,133	-106	160.4	56.1	427	\$4.47	\$17.07	\$45,195	2.3	2.76	2.63	8.5
2047	190,473	-104	161.7	56.5	424	\$4.59	\$17.66	\$45,482	2.3	2.79	2.68	8.5
2048	191,808	-104	163.1	56.9	420	\$4.72	\$18.28	\$45,792	2.3	2.83	2.73	8.5
2049	193,137	-106	164.5	57.3	416	\$4.84	\$18.93	\$46,124	2.3	2.86	2.78	8.4
2050	194,452	-113	165.8	57.7	412	\$4.97	\$19.61	\$46,477	2.3	2.89	2.84	8.4

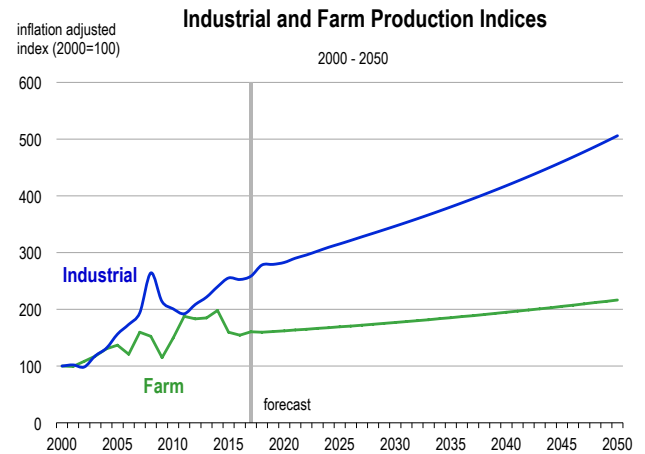
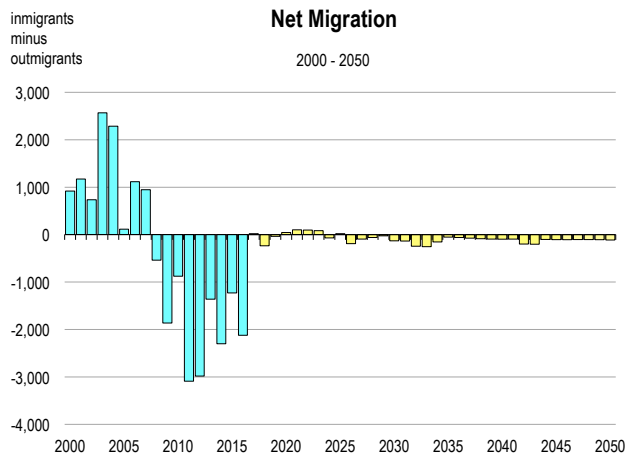
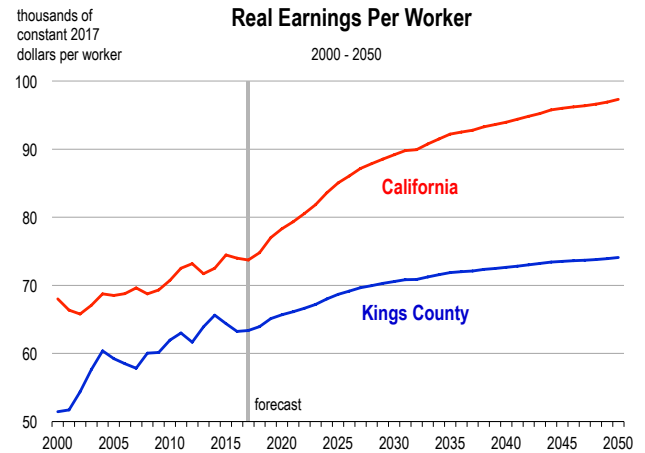
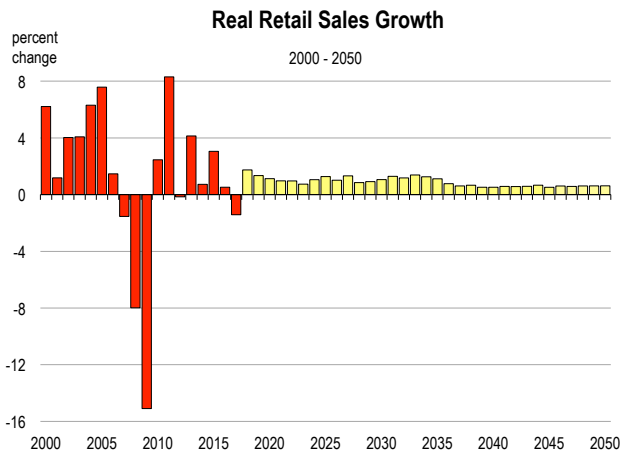


Kings County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2010	43.2	6.55	0.86	4.12	0.80	4.39	0.94	1.65	0.20	5.49	2.71	14.95
2011	42.8	6.23	0.88	4.33	0.77	4.56	0.96	1.24	0.20	5.55	2.78	14.78
2012	43.2	6.46	0.79	4.40	0.82	4.63	1.00	1.33	0.20	5.66	2.78	14.56
2013	43.9	6.87	0.81	4.48	0.92	4.74	0.91	1.33	0.20	5.88	2.94	14.28
2014	44.5	6.86	0.78	4.64	0.93	4.83	0.98	1.38	0.20	5.97	3.05	14.25
2015	45.9	7.43	0.92	4.88	0.96	4.81	0.98	1.27	0.20	6.08	3.25	14.52
2016	46.2	7.44	0.92	4.83	1.09	4.95	0.90	1.28	0.20	5.98	3.33	14.66
2017	47.3	7.93	0.93	4.79	1.36	5.07	0.93	1.24	0.20	6.21	3.29	14.71
2018	47.9	7.91	0.95	4.84	1.38	5.09	0.93	1.26	0.20	6.35	3.35	15.00
2019	48.6	7.94	0.97	4.88	1.39	5.11	0.94	1.28	0.20	6.48	3.42	15.33
2020	49.3	7.97	0.98	4.90	1.39	5.12	0.96	1.30	0.20	6.61	3.45	15.76
2021	49.9	8.00	0.98	4.92	1.39	5.14	0.97	1.32	0.20	6.74	3.50	16.09
2022	50.4	8.03	0.98	4.93	1.39	5.15	0.98	1.34	0.20	6.85	3.56	16.32
2023	50.8	8.06	0.98	4.94	1.39	5.16	0.98	1.36	0.21	6.96	3.61	16.49
2024	51.2	8.10	0.99	4.94	1.39	5.17	0.98	1.37	0.21	7.05	3.66	16.66
2025	51.5	8.13	0.99	4.95	1.40	5.19	0.99	1.39	0.21	7.12	3.68	16.84
2026	51.9	8.17	0.99	4.95	1.40	5.20	0.99	1.41	0.21	7.19	3.71	17.04
2027	52.3	8.20	1.00	4.96	1.40	5.22	1.00	1.42	0.21	7.24	3.73	17.23
2028	52.6	8.24	1.00	4.96	1.40	5.23	1.00	1.44	0.21	7.28	3.75	17.42
2029	52.9	8.28	1.00	4.96	1.40	5.24	1.00	1.47	0.21	7.31	3.78	17.61
2030	53.3	8.31	1.00	4.96	1.40	5.25	1.01	1.49	0.21	7.33	3.81	17.80
2031	53.6	8.35	1.01	4.97	1.40	5.27	1.01	1.51	0.22	7.35	3.85	17.99
2032	53.9	8.39	1.01	4.97	1.40	5.28	1.01	1.53	0.22	7.37	3.89	18.18
2033	54.2	8.43	1.01	4.97	1.41	5.30	1.01	1.55	0.22	7.39	3.92	18.37
2034	54.6	8.47	1.01	4.97	1.41	5.32	1.02	1.57	0.22	7.41	3.96	18.56
2035	54.9	8.52	1.02	4.97	1.41	5.33	1.02	1.58	0.22	7.43	3.99	18.75
2036	55.2	8.56	1.02	4.98	1.41	5.35	1.02	1.60	0.22	7.45	4.03	18.94
2037	55.6	8.60	1.02	4.98	1.41	5.36	1.02	1.62	0.22	7.48	4.07	19.13
2038	55.9	8.65	1.03	4.98	1.41	5.37	1.01	1.63	0.22	7.50	4.10	19.32
2039	56.2	8.69	1.03	4.98	1.41	5.38	1.01	1.65	0.22	7.52	4.14	19.51
2040	56.6	8.74	1.03	4.98	1.41	5.38	1.01	1.66	0.22	7.55	4.18	19.70
2041	56.9	8.79	1.04	4.99	1.41	5.39	1.01	1.68	0.23	7.59	4.22	19.89
2042	57.3	8.84	1.04	4.99	1.42	5.40	1.01	1.70	0.23	7.62	4.25	20.08
2043	57.6	8.89	1.05	4.99	1.42	5.41	1.01	1.72	0.23	7.67	4.29	20.27
2044	58.0	8.94	1.05	4.99	1.42	5.42	1.02	1.73	0.23	7.72	4.33	20.46
2045	58.4	8.99	1.05	4.99	1.42	5.43	1.02	1.75	0.23	7.77	4.37	20.65
2046	58.7	9.04	1.06	5.00	1.42	5.44	1.02	1.77	0.23	7.83	4.41	20.84
2047	59.1	9.10	1.06	5.00	1.42	5.44	1.02	1.79	0.23	7.89	4.45	21.03
2048	59.5	9.15	1.07	5.00	1.42	5.45	1.02	1.81	0.23	7.97	4.49	21.22
2049	59.9	9.21	1.07	5.00	1.42	5.46	1.03	1.82	0.23	8.04	4.53	21.42
2050	60.3	9.26	1.08	5.00	1.42	5.47	1.03	1.84	0.24	8.10	4.57	21.61





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	5.3%
Expected job growth:	6.1%
Fastest growing jobs sector:	Government
Expected personal income growth:	12.4%

Expected population growth:	4.8%
Net migration to account for:	4.0%
Expected growth in number of vehicles:	7.6%

Demographics (2018)

Unemployment rate (April 2018):	8.0%
County rank* in California (58 counties):	51st
Working age (16-64) population:	65.2%

Population with B.A. or higher:	14.9%
Median home selling price (2017):	\$219,000
Median household income:	\$49,460

Quality of Life

Violent crime rate (2016):	406 per 100,000 persons
County rank* in California (58 counties):	33rd
Average commute time to work (2018):	24 minutes

High School drop out rate (2017):	7.6%
Households at/below poverty line (2018):	18.2%

* The county ranked 1st corresponds to the lowest rate in California